

CONFIDENTIAL

ILLEGIB

1 February 1957

MEMORANDUM FOR: Technical Accounting Staff**SUBJECT : Department of Defense Billings**

1. A representative of your staff [redacted] Fiscal Division [redacted] Finance Division [redacted] and the Far East Division [redacted], met on 30 January 1957 to discuss the handling of Department of Defense billings with a view to speeding up reimbursement to the military and to reduce the duplication of effort involved in determining the correctness of the billing.

2. It was noted that under the present system, a field station upon requisitioning and receiving an item from a local Defense establishment sets up on its records an account payable. This account is maintained in the field until such time as the local military unit submits a billing to the field station. Upon receipt of this billing the station certifies to the military that the items listed were received and that reimbursement is proper. At the same time a schedule of allotment charges listing the items is prepared and forwarded to Headquarters. In due course Headquarters receives a request for reimbursement from the Department of Defense which is checked against the schedule forwarded from the field station and if in agreement reimbursement is effected.

3. Unfortunately, in most cases the system breaks down in that the request for reimbursement includes items not listed on schedules received from the field. Confirming the validity of these items entails considerable correspondence between field and Headquarters and results in an unreasonable delay before reimbursement can be made. Payment in the field under "PASCO 57"

should alleviate

M-350

CONFIDENTIAL

~~SECRET~~
CONFIDENTIAL

should alleviate this difficulty in the future. There are still many items, however, for which billings have not been received and which the field stations are holding in their accounts payable. It was suggested that the field be advised to forward to Headquarters schedules of allotment charges covering these items, (i.e., all items received prior to PASCO 57) even though billings had not been received from local military units. Such action could accomplish the purpose of centralizing all accounts payable at Headquarters and enabling Headquarters to determine the validity of billings without further reference to the field.

4. Since a member of your staff is presently in the field on temporary duty it is suggested that he be asked to look into this matter to determine the feasibility of the above suggestion.


CHIEF, FAR EAST DIVISION

25X1

~~SECRET~~
CONFIDENTIAL